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Metropolitan Transit Authority

PUBLIC TRUSTEES

PARK SQUARE BUILDING

BOSTON 16, MASSACHUSETTS

EIGHTH ANNUAL REPORT

of the

BOARD OF TRUSTEES

of the

METROPOLITAN TRANSIT AUTHORITY

To His Excellency the Governor,
to the General Court, and to the
Trustees of the Boston Metropolitan District:

In accordance with the requirements of Chapter 544 of the Acts of 1947, as amended, the Trustees of the Metropolitan Transit Authority herewith file the eighth annual report of the Authority, which covers the results of operations for the calendar year 1954.

SUMMARY OF REPORT

The Board of Trustees in reporting for the first full calendar year of their stewardship are able to show a reduction in the deficit of \$1,877,181.55 compared with that of the previous year.

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To accomplish this result the Trustees, aided by the loyal efforts of Management and employees, reduced operating expenses during 1954 by \$1,337,035.34. This was accomplished despite payment of increased wages to employees and increased costs of materials and supplies.

We believe it will be of interest to point out that the 1954 results of the Authority's operations will, on the basis of previous apportionments, lessen the burden of the taxpayers in the 14 communities which own the MTA as follows:

Arlington	\$	35,349.21
Belmont		20,504.45
Boston		1,208,582.04
Brookline		73,330.22
Cambridge		156,005.05
Chelsea		37,857.12
Everett		43,706.42
Malden		63,230.98
Medford		60,315.73
Milton		14,561.30
Newton		14,856.03
Revere		30,699.42
Somerville		93,941.66
Watertown		<u>24,241.92</u>
TOTAL		\$1,877,181.55

FARE INCREASE AIDED RESULTS

On April 6, 1954, the Board received approval from the Department of Public Utilities of its request for an adjustment in fares.

No increase was requested in the price of pupils' tickets.

This adjusted fare was the principal cause of an increase in revenue in 1954. The total income of the Authority in the year was \$38,624,609.73, an increase of \$1,556,911.41 (or 4.20%) over that

of 1953. The total number of revenue passengers carried during the year was 244,112,283, a decrease of 24,174,016 (or 9.01%) below the number carried in 1953.

OPERATION COSTS REDUCED

During 1954, this Board has continued its constant efforts, started in April, 1953, of placing the conduct of the Authority on a realistic business basis. In line with this policy, there were many more changes in methods of operation made during 1954. In all departments of the Authority more efficient methods were instituted, with resultant savings in the costs of performing necessary work.

SERVICE ADJUSTMENTS BEING CONTINUED

The Board continued during 1954 to adjust the frequency of service on all lines to meet community needs and passenger possibilities. The Board is still firmly of the belief that frequency of service is not the principal determining factor for carrying a profitable number of passengers. Continued checks have been made at frequent intervals on all lines with resultant disclosure of some trips still being operated with regular patronage averaging 10 and less passengers on each trip. Readjustments on such lines has continued, with the frequency being adjusted to a point where the number of vehicles being operated regularly at least give promise of meeting out-of-pocket costs of operation. These studies are continuing. Service has been increased on some lines where studies showed additional service was justified.

NEW LINES ESTABLISHED

The Board received many requests for establishment of new lines, and extensions of presently operated lines, during the year. Each request was carefully investigated, and all were considered after thorough checks of the potential patronage which they would bring. During 1954 the following extensions of service were made:

Heath Street-Park Street line, operating via Huntington Avenue, extended to North Station; thus providing direct service for Heath Street and Huntington Avenue patrons to and from North Station without change of cars.

New line established (rush hours only, Mondays to Fridays) from Columbia Station of Harvard-Ashmont Rapid Transit lines to Columbia Point Housing Project. Residents have since petitioned for all-day and week-end service on this line and service is to be added in between morning and evening rush hours.

Revere City Hall-Beachmont line extended to serve new streets in Endicott Avenue section of Beachmont. (New patronage attracted as result).

Wakefield Avenue & Truman Highway-Mattapan Station line in Hyde Park extended to serve additional streets in newly developed residential area. New patronage attracted to line.

Waldemar Avenue Loop line in East Boston extended to serve new streets at request of residents of district.

Local fare route re-established between East Boston and Chelsea. Made possible by opening of new Andrew P. McArdle Bridge. Lines between Chelsea and East Boston rerouted to also provide additional service in two districts.

A cooperative effort with the Eastern Massachusetts Street Railway resulted in new traffic being attracted to joint service (summer) operated to and from the MTA's Fields Corner Station to Nantasket Beach. Similarly, a considerable amount of patronage was attracted to a line operating from the MTA's Ashmont Station to the Dog Track at Taunton.

IMPROVEMENTS IN SERVICE

Among the many improvements in service during 1954 were the following:

Extension of the Rapid Transit Lines to Beachmont, Revere Beach and Wonderland completed and service started June 19th.

Modern lighting systems installed at Scollay Square Station and Park Street Station (Tremont St. Subway).

New escalator (38-foot rise) installed and placed in operation (March 9, 1954) at Broadway Station on Harvard-Ashmont Rapid Transit Lines.

Automatic recorder installed at Park Street which registers frequency of cars on Reservoir, Boston College and Watertown lines, enabling promptly filling gaps with emergency service, thus reducing delays.

Surface lines timetables for patrons inaugurated, showing all surface lines schedules. 50,000 timetables distributed to patrons four times in year.

Construction started on new Science Park Station on Lechmere-Tremont St. Subway lines.

Construction started on new shelter for bus patrons at Broadway-Tremont Street Station at end of Tremont Street Subway.

Twelve new 50-passenger buses of latest Diesel type put into service (November, 1954).

PARKING LOTS SHOW INCREASED PATRONAGE

During the year, the MTA parking lots showed a continued increase in patronage each month during 1954. In the twelve months, the number of automobiles parked at MTA lots totalled 467,000. In December an average of over 12,000 automobiles per week used MTA lots. While the use of these lots by MTA patrons has gradually increased, there is still ample room for additional patrons who wish to avoid driving into congested areas.

In addition to the all-day parking, the Authority established, on three nights each week, free parking at 6 of its lots, provided a non-redeemable, round-trip fare ticket on the MTA was purchased. The Authority was aided in this latter effort by the cooperation of the Retail Trade Board of Boston, merchant members using a portion of their advertising space to publicize the MTA's free night parking. Night parking showed a steady increase through December and will be continued.

PROMOTIONAL PROGRAM CONTINUED

The advertising program seeking to acquaint the public with the convenience and the economy of using MTA service as compared with driving their automobiles in and out of Boston each day to reach their jobs or for the conduct of individual activities was continued during 1954. Surveys have shown that this program attracted some new riders to the MTA.

PROSPECTS FOR 1955

The Board will continue its intensive efforts to make every possible reduction in costs of operation and to readjust service as necessary.

It is our considered judgment that the total income of the Authority in 1955, with the present rates of fare, is not likely to exceed, by any appreciable amount, the total income received in 1954.

The Board would be reluctant to recommend any increase in our present fare structure.

It should also be pointed out, we believe, that out of the

total of 244,112,283 revenue passengers carried in 1954, 24,508,250 (or more than 10%) of them were children who used the 5¢ fare established by the General Court for boys and girls under the age of 15, or were those who used pupils' tickets sold for 5¢ per ride. The latter are sold through schools to children who have passed 15 years of age, but are still attending an educational institution providing courses not higher than that of high schools.

If the trend towards more general use of the private automobile and less use of public transportation systems continues at its present rate, it is reasonable to expect that in 1955 the revenue passengers will show a further decline.

A ban on the parking of automobiles in the streets of downtown Boston would, we believe, result in a quick and sharp upturn in MTA patronage. The Board has advocated a complete ban of all parking downtown. However, a ban on parking in downtown streets until after 9:30 a.m. and from 4 to 6 p.m. would, if strictly enforced, accomplish much for all public transportation systems. There is no doubt that the majority of the automobiles which, each business day, use the streets of Boston for public garaging, are operated by those who use these automobiles to go to and from their employment.

The Board will continue to make every effort to find additional means of meeting the many problems which confront the Authority and of further alleviating the burden on the taxpayers.

OPERATING EXPENSES

Actual operation results of the Authority for the calendar year of 1954, as compared with the same period of 1953, were as follows:

	<u>YEAR 1954</u>	<u>YEAR 1953</u>	<u>DECREASE</u>
Wages	\$28,379,931.21	\$29,446,974.58	\$1,067,043.37
Materials, Services and other items	4,224,724.74	4,414,946.58	190,221.84
Injuries & Damages	1,277,655.66	1,287,949.65	10,293.99
Depreciation	1,200,000.00	1,200,000.00	-
Fuel	1,868,816.65	1,891,225.32	22,408.67
Power Interchange (Net)	63,606.19 Cr.	46,288.38 Cr.	17,317.81
MTA Retirement Fund	<u>1,696,543.31</u>	<u>1,726,292.97</u>	<u>29,749.66</u>
TOTAL OPERATING EXPENSES	\$38,584,065.38	\$39,921,100.72	\$1,337,035.34

FIXED CHARGES

Under the law of the Commonwealth, as at presently constituted, certain so-called fixed charges must be included as a part of the cost of service. These items are composed of taxes, interest on bonds, payments on funded debt and Cambridge Subway rental. The following table compares these items for 1954 and 1953:

	<u>YEAR ENDED</u> <u>1954</u>	<u>DECEMBER 31</u> <u>1953</u>
Taxes	\$ 721,087.46	\$ 644,640.31
Cambridge Subway Rental	390,391.66	390,478.34
Interest on Bonds	3,592,180.29	3,519,883.78
Payment on Funded Debt - B. M. D.	1,838,000.00	1,656,000.00
Miscellaneous Items	<u>50,379.47</u>	<u>61,441.85</u>
TOTAL	\$6,592,038.88	\$6,272,444.28

FINANCIAL STATEMENTS

The balance sheet of the Metropolitan Transit Authority at December 31, 1954, related statement of income and cost of the service, detail of operating expenses, for the year ended December 31, 1954, together with notes relating to these financial statements are appended to this report.

Respectfully submitted,

BOARD OF TRUSTEES

METROPOLITAN TRANSIT AUTHORITY

(Signed) Frank W. Rourke, Chairman

" Harold D. Ulrich

" Horace Schermerhorn

March 1, 1955

FINANCIAL STATEMENTS

METROPOLITAN TRANSIT AUTHORITY

BALANCE SHEET-DECEMBER 31, 1954

ASSETS

Fixed assets (Note A):

Road and equipment	\$112,780,511.26
Miscellaneous physical property	<u>138,503.29</u>
	112,919,014.55
Less - Reserve for depreciation of property and for obsolescence and losses in respect to property sold, destroyed or abandoned (Note B)	<u>45,115,691.11</u>
	<u>67,803,323.44</u>
Subways, tunnels and other facilities:	
Acquired from the City of Boston as of August 3, 1949 in accordance with Chapter 544 of the Acts of 1947 as amended by Chapter 572 of the Acts of 1949	40,225,550.43
Constructed by Metropolitan Transit Authority since August 2, 1949	<u>18,937,894.30</u>
	59,163,444.73
Less - Amortization through debt retirement reimbursed to the Authority (Paragraph (1) of Section 8A of Chapter 544 of the Acts of 1947 as amended and Section (7) of Chapter 649 of the Acts of 1949 as amended) (Note C) ...	<u>3,548,629.68</u>
	<u>55,614,815.05</u>
Total fixed assets, less reserve and amortization	<u>123,418,138.49</u>

Current assets:

Cash in banks and on hand (incl. \$314,874.89 deposited for payrolls)	2,429,278.09
United States Treasury Bills	1,997,985.33
Special deposits	250,358.95
Commonwealth of Massachusetts - Amounts receivable under Chapter 544 of the Acts of 1947 as amended:	
Assessable deficit - per accompanying statement of income and the cost of the service	\$6,473,494.53
Less - Amount advanced by Commonwealth of Massachusetts in accordance with Section 13A of Chapter 544 of the Acts of 1947 inserted in said Chapter 544 by Chapter 409 of the Acts of 1954 (Note D)	<u>2,500,000.00</u>
	3,973,494.53
Miscellaneous accounts and rents receivable	418,406.51
Material and supplies, at cost less reserve	2,929,557.96
Other current assets	<u>65,977.29</u>
Total current assets	<u>12,065,058.66</u>

Other assets:

Special deposits available only for:	
Extension of rapid transit facilities as provided for by Chapter 692 of the Acts of 1945 as amended and to the extent of \$420,469.54 for establishing off-street parking facilities, all as provided for under Chapter 544 of the Acts of 1947 as amended	659,753.86
Alterations to subways and tunnels as provided for by Chapter 417 of the Acts of 1954 inserted in Section 6A of Chapter 649 of the Acts of 1949 as amended	165,637.04
Preparation of plans and estimates of cost with reference to the additions to the existing Washington St. Tunnel under Chapter 649 of the Acts of 1949 as amended	74,728.42
Extension of East Boston Rapid Transit facilities to Revere and to the extent of \$43,915.90 for studies preliminary plans and estimates of cost for the extension of the Cambridge Subway, all as provided under Chapter 649 of the Acts of 1949 as amended and affected by Chapter 613 of the Acts of 1952	136,877.23
Purchase of revenue equipment as provided under Chapter 544 of the Acts of 1947 as amended	115,828.50
	<u>4,133.07</u>
Mortgage note receivable	<u>1,156,958.12</u>
Total other assets	

Deferred charges and unadjusted debits:

Prepaid expenses	143,336.00
Unadjusted debits	<u>126,155.70</u>
Total deferred charges and unadjusted debits	<u>269,491.70</u>

TOTAL ASSETS

\$136,909,646.97

(See accompanying notes to financial statements)

METROPOLITAN TRANSIT AUTHORITY

BALANCE SHEET-DECEMBER 31, 1954

LIABILITIES

Funded debt (all held by Boston Metropolitan District) - per accompanying statement (Note E):

Bond of Metropolitan Transit Authority, dated August 3, 1949 under authority of Section 7A of Chapter 544 of the Acts of 1947 as amended (less \$1,000,000. included in current liabilities below)	\$64,918,371.89
Rapid transit bond of Metropolitan Transit Authority, dated August 3, 1949, under authority of Section 8A of Chapter 544 of the Acts of 1947 as amended (less \$536,259.27 included in current liabilities below)	37,001,889.81
Bond of Metropolitan Transit Authority, dated November 25, 1949 under authority of Section 8A of Chapter 544 of the Acts of 1947 as amended (less \$102,000. included in current liabilities below)	7,038,000.00
Bond of Metropolitan Transit Authority, dated March 1, 1951, under authority of Section 8A of Chapter 544 of the Acts of 1947 as amended (less \$60,000. included in current liabilities below)	4,260,000.00
Bond of Metropolitan Transit Authority, dated March 1, 1951, under authority of Section 6 of Chapter 649 of the Acts of 1949 as amended (less \$13,333.33 included in current liabilities below)	933,333.34
Bond of Metropolitan Transit Authority, dated March 1, 1951, under authority of Section 6 of Chapter 649 of the Acts of 1949 as amended (less \$11,000. included in current liabilities below)	781,000.00
Bond of Metropolitan Transit Authority, dated January 15, 1952, under authority of Section 8A of Chapter 544 of the Acts of 1947 as amended (less \$22,000. included in current liabilities below)	1,584,000.00
Bond of Metropolitan Transit Authority, dated March 1, 1953, under authority of Section 8A of Chapter 544 of the Acts of 1947 as amended (less \$15,000. included in current liabilities below)	1,095,000.00
Bond of Metropolitan Transit Authority, dated March 1, 1953, under authority of Section 6 of Chapter 649 of the Acts of 1949 as amended (less \$32,000. included in current liabilities below)	2,336,000.00
Bond of Metropolitan Transit Authority, dated March 1, 1954, under authority of Section 6 of Chapter 649 of the Acts of 1949 as amended (less \$10,000. included in current liabilities below).....	740,000.00
Serial bonds of Metropolitan Transit Authority issued under authority of Section 22 of Chapter 544 of the Acts of 1947 as amended (less \$864,000. included in current liabilities below)	9,473,000.00
	<u>130,160,595.04</u>

Current liabilities:

Funded debt installments payable within one year	2,665,592.60
Accounts and wages payable	1,277,298.58
Accrued interest and rents payable	610,898.38
Provision for injury and damage claims	1,475,140.15
Unredeemed tickets and tokens	325,867.41
Employee withholdings and other liabilities	296,043.07
Total current liabilities	<u>6,650,840.19</u>

Deferred and unadjusted credits:

Unamortized premium on funded debt	91,147.44
Unadjusted credits	7,064.30
Total deferred and unadjusted credits	<u>98,211.74</u>

Commitments:
(Note F)

<u>TOTAL LIABILITIES</u>	<u>\$136,909,646.97</u>
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(See accompanying notes to financial statements)

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METROPOLITAN TRANSIT AUTHORITY

Statement of Funded Debt - December 31, 1954

(All held by the Boston Metropolitan District)

<u>NOTE</u>	<u>ISSUE DATE</u>	<u>TERM</u>	<u>MATURITY DATE</u>	<u>RATE</u>	<u>PRINCIPAL AMOUNT</u>
A	Apr. 15, 1948	10 Years	Apr. 15, 1958	1.50%	\$350,000.00
B	Dec. 1, 1948	15 Years	Dec. 1, 1963	1.75%	1,305,000.00
C	Aug. 3, 1949	Fixed	Dec. 1, 2020	(see note)	65,918,371.89
D	Aug. 3, 1949	Fixed	Nov. 20, 2024	(see note)	37,538,149.08
E	Nov. 25, 1949	30 Years	Nov. 25, 1979	2.00%	7,140,000.00
F	Dec. 1, 1949	15 Years	Dec. 1, 1964	1.50%	268,000.00
G	Mar. 1, 1951	30 Years	Mar. 1, 1981	(see note)	946,666.67
H	Mar. 1, 1951	30 Years	Mar. 1, 1981	1.50%	4,320,000.00
I	Mar. 1, 1951	30 Years	Mar. 1, 1981	1.50%	792,000.00
J	Mar. 1, 1951	10 Years	Mar. 1, 1961	1.50%	750,000.00
K	Mar. 1, 1951	20 Years	Mar. 1, 1971	1.50%	1,424,000.00
L	Mar. 1, 1951	30 Years	Mar. 1, 1981	1.50%	3,433,000.00
M	Jan. 15, 1952	30 Years	Jan. 15, 1982	2.10%	1,606,000.00
N	Jan. 15, 1952	9 Years	Jan. 15, 1961	2.10%	462,000.00
O	Mar. 1, 1953	30 Years	Mar. 1, 1983	2.75%	1,110,000.00
P	Mar. 1, 1953	30 Years	Mar. 1, 1983	2.75%	2,368,000.00
Q	Mar. 1, 1953	10 Years	Mar. 1, 1963	2.50%	504,000.00
R	Mar. 1, 1953	11 Years	Mar. 1, 1964	2.50%	150,000.00
S	Mar. 1, 1953	20 Years	Mar. 1, 1973	2.50%	1,437,000.00
T	Mar. 1, 1954	30 Years	Mar. 1, 1984	2.30%	750,000.00
U	Mar. 1, 1954	10 Years	Mar. 1, 1964	2.30%	98,000.00
V	Mar. 1, 1954	9 Years	Mar. 1, 1963	2.30%	<u>156,000.00</u>
TOTAL FUNDED DEBT - December 31, 1954					\$132,826,187.64
LESS - Payments due in 1955 in current liabilities					<u>2,665,592.60</u>
NET FUNDED DEBT - Payable after 1955					\$130,160,595.04

(See notes on following pages)

NOTES ON FUNDED DEBT

- A Equipment serial bonds. Original issue \$1,000,000. payable \$50,000. semi-annually on April 15 and October 15. (Issued under Section 22, Chapter 544, Acts of 1947 as amended.)
- B Equipment serial bonds. Original issue \$2,175,000. payable semi-annually \$72,000. on June 1 and \$73,000. on December 1. (Issued under Section 22, Chapter 544, Acts of 1947 as amended.)
- C Refunding bond. Original issue \$71,418,371.89 payable \$500,000. each June 1 and December 1 and final installment of \$418,371.89 on December 1, 2020. (Issued under Section 7A, Chapter 544, Acts of 1947 as amended.)

The interest payable on this bond is the interest payable by the Boston Metropolitan District on their contra debt and refunding issues.

- D Rapid Transit bond. Original issue \$40,219,445.43 payable in 75 installments of \$536,259.27 on each November 20. This amount is paid by the State to the Authority each November 20 and a like amount is paid by the Authority to the Boston Metropolitan District on the same date in reduction of principal. (Issued under Section 8A(c), Chapter 544, Acts of 1947 as amended.)

The equivalent of interest on this bond is provided for by the Metropolitan Transit Authority Rapid Transit note, dated August 3, 1949, wherein the Authority promises to pay to the City of Boston on behalf of the District, and in its place and stead, the actual interest on City of Boston Transit debt, less income collected on the City's transit debt sinking funds.

- E Construction bond. Original issue \$7,650,000. payable \$102,000. annually on November 21 to and including November 21, 1978 and one payment of \$4,692,000. on November 25, 1979. The \$102,000. annual amount is paid by the State to the Authority each November 20 and a like amount is paid by the Authority to the Boston Metropolitan District on each November 21 in reduction of principal. (Issued under Section 8A(j), Chapter 544, Acts of 1947 as amended.)

The interest payable on this bond is the interest payable on Boston Metropolitan District bonds issued to purchase this bond.

- F Equipment serial bonds. Original issue \$403,000. payable semi-annually \$13,000. on June 1 and \$14,000. on December 1. (Issued under Section 22, Chapter 544, Acts of 1947 as amended)
- G Construction bond. Original issue \$1,000,000. dated April 15, 1950 paid March 1, 1951 and renewed for \$986,666.67. (Issued under Section 6, Chapter 649, Acts of 1949 as amended.) 1/75th of the principal amount is payable annually (\$13,333.33 and 34 cents every third year) on March 1 by the Authority to the Boston Metropolitan District and a like amount is paid by the State to the Authority each November 20.

The interest payable on this bond is the interest payable on Boston Metropolitan District bonds issued to purchase this bond.

- H Construction bond. Original issue \$4,500,000. payable \$60,000. annually on March 1 to and including March 1, 1980 and one payment of \$2,760,000. on March 1, 1981. The \$60,000. annual principal payment is made by the Authority to the Boston Metropolitan District on each March 1st and a like amount is paid by the State to the Authority on each November 20. (Issued under Section 8A(j), Chapter 544, Acts of 1947 as amended.)
- I Construction bond. Original issue \$825,000. payable \$11,000. annually on March 1 to and including March 1, 1980 and one payment of \$506,000. on March 1, 1981. The \$11,000. annual principal payment is made by the Authority to the Boston Metropolitan District on each March 1st and a like amount is paid by the State to the Authority on each November 20. (Issued under Section 6, Chapter 649, Acts of 1949 as amended.)
- J Equipment serial bonds. Original issue \$1,074,000. payable annually \$108,000. March 1, 1952 to 1955 inclusive, \$107,000. March 1, 1956 to 1961 inclusive. (Issued under Section 22, Chapter 544, Acts of 1947 as amended.)

NOTES ON FUNDED DEBT - Continued

- K Equipment serial bonds. Original issue \$1,673,000. payable annually, as follows:
\$83,000. March 1, 1952 to 1955 inclusive.
\$84,000. March 1, 1956 to 1962 inclusive.
\$83,000. March 1, 1963, March 1, 1966, March 1, 1969
\$84,000. March 1, 1964, 1965, 1967, 1968, 1970 and 1971
(Issued under Section 22, Chapter 544, Acts of 1947 as amended.)
- L Equipment serial bonds. Original issue \$3,817,000. payable annually, as follows:
\$128,000. March 1, 1952 to 1955 inclusive.
\$127,000. March 1, 1956 to 1962 inclusive.
\$128,000. March 1, 1963, 1966, 1969.
\$127,000. March 1, 1964, 1965, 1967, 1968.
\$127,000. March 1, 1970 to 1981 inclusive.
(Issued under Section 22, Chapter 544, Acts of 1947 as amended.)
- M Construction bond. Original issue \$1,650,000. payable \$22,000. annually on January 15, to and including January 15, 1981 and one payment of \$1,012,000. on January 15, 1982. The \$22,000. annual principal payment is made by the Authority to the Boston Metropolitan District on each January 15th and a like amount is paid by the State to the Authority on each November 20.
(Issued under Section 8A(j), Chapter 544, Acts of 1947 as amended.)
- N Equipment serial bonds. Original issue \$592,000. payable annually \$65,000. January 15, 1953 and 1954, and \$66,000. January 15, 1955 to 1961 inclusive. (Issued under Section 22, Chapter 544, Acts of 1947 as amended.)
- O Construction bond. Original issue \$1,125,000. payable \$15,000. annually on March 1 to and including March 1, 1982 and one payment of \$690,000. on March 1, 1983. The \$15,000. annual principal payment is made by the Authority to the Boston Metropolitan District on each March 1 and a like amount is paid by the State to the Authority on each November 20. (Issued under Section 8A(j), Chapter 544, Acts of 1947 as amended.)
- P Construction bond. Original issue \$2,400,000. payable \$32,000. annually on March 1 to and including March 1, 1982 and one payment of \$1,472,000. on March 1, 1983. The \$32,000. annual principal payment is made by the Authority to the Boston Metropolitan District on each March 1 and a like amount is paid by the State to the Authority on each November 20. (Issued under Section 6, Chapter 649, Acts of 1949 as amended.)
- Q Equipment serial bonds. Original issue \$562,000. payable annually \$58,000. March 1, 1954, \$56,000. March 1, 1955 to 1963 incl. (Issued under Section 22, Chapter 544, Acts of 1947 as amended.)
- R Equipment serial bonds. Original issue \$166,000. payable annually \$16,000. March 1, 1954, \$15,000. March 1, 1955 to 1964 incl. (Issued under Section 22, Chapter 544, Acts of 1947 as amended.)
- S Equipment serial bonds. Original issue \$1,545,000. payable annually \$108,000. March 1, 1954 to 1958, \$102,000. March 1, 1959 to 1961, \$97,000. March 1, 1962 to 1964, \$46,000. March 1, 1965 to 1967, \$45,000. March 1, 1968 to 1973 incl. (Issued under Section 22, Chapter 544, Acts of 1947 as amended. -For capital additions or improvements to passenger-carrying rolling stock.)
- T Construction bond. Original issue \$750,000. payable \$10,000. annually on March 1 to and including March 1, 1984 and one payment of \$450,000. on March 1, 1984. The \$10,000. annual principal payment is made by the Authority to the Boston Metropolitan District on each March 1 and a like amount is paid by the State to the Authority on each November 20. (Issued under Section 6, Chapter 649, Acts of 1949 as amended.)

NOTES ON FUNDED DEBT - Continued

- U Equipment serial bonds. Original issue \$98,000. payable annually \$8,000. March 1, 1955, \$10,000. March 1, 1956 to 1964 inclusive. (Issued under Section 22, Chapter 544, Acts of 1947 as amended.)
 - V Equipment serial bonds. Original issue \$156,000. payable annually \$20,000. March 1, 1955, \$17,000. March 1, 1956 to 1963 inclusive. (Issued under Section 22, Chapter 544, Acts of 1947 as amended.)
- A-B-F-J-K-L-N-Q-R-S-U-V Equipment serial bonds
- C Authority vs. District refinancing August 3, 1949
 - D Subway purchase August 3, 1949 (City of Boston)
 - E East Boston Rapid Transit. Subway Alterations and Off-street parking facilities
 - G Tremont Subway addition (Park St. to Scollay Square - preliminary plans) and Alterations.
 - H-M East Boston Rapid Transit
 - I Washington Tunnel Extensions (preliminary plans) and Alterations
 - O East Boston Rapid Transit. Off-Street Parking Facilities
 - P E.B.R.T. Extension to Revere and Cambridge Subway Extension (preliminary plans)
 - T E.B.R.T. Extension to Revere

METROPOLITAN TRANSIT AUTHORITY

STATEMENT OF INCOME AND THE COST OF THE SERVICE
YEAR ENDED DECEMBER 31, 1954

Income:		
Revenue from transportation	\$37,631,673.21	
Revenue from other operations	<u>918,399.23</u>	
Total operating revenue	38,550,072.44	
Non-operating income	<u>74,537.29</u>	
Total income		\$38,624,609.7
Operating expenses:		
Way and structures:		
Salaries and wages	\$2,916,742.41	
Other.....	<u>1,322,431.48</u>	4,239,173.89
Equipment:		
Salaries and wages.....	2,403,294.43	
Other.....	<u>1,565,610.81</u>	3,968,905.24
Power:		
Salaries and wages.....	1,053,302.13	
Other.....	<u>2,133,527.00</u>	3,186,829.13
Conducting transportation:		
Salaries and wages.....	19,947,844.05	
Other.....	<u>528,418.40</u>	20,476,262.45
Traffic:		
Other.....	<u>86,575.46</u>	86,575.46
General:		
Salaries and wages.....	2,058,748.19	
M. T. A. Retirement Fund.....	1,696,543.31	
Other.....	<u>2,871,027.71</u>	6,626,319.21
Total operating expenses (including allowance of \$1,200,000.00 for depreciation of property and for obsolescence and losses in respect to property sold, destroyed or abandoned - Note B)		<u>38,584,065.3</u>
Gain before other deductions		40,544.3
Other deductions:		
Taxes assignable to transportation operations	721,087.46	
Interest on funded debt (Note E)	3,592,180.29	
Payment on funded debt-B. M. D. (Note E)	1,838,000.00	
Interest on notes payable	40,454.99	
Cambridge subway rental.....	390,391.66	
Other deductions.....	<u>9,924.48</u>	
Total other deductions		<u>6,592,038.8</u>
Loss resulting from operations		6,551,494.5
Profit and loss items:		
Dividend on compensation insurance	60,000.00	
Adjustment of outstanding ticket liability	<u>18,000.00</u>	78,000.0
Loss for the Year (excess of the cost of the service over income)		<u>\$6,473,494.5</u>

(see accompanying notes to financial statements)

METROPOLITAN TRANSIT AUTHORITY

OPERATING EXPENSES
YEAR ENDED DECEMBER 31, 1954

Way and structures:

Superintendence.....	\$428,599.98
Maintenance of roadway and track.....	1,280,426.51
Removal of snow and ice.....	135,815.82
Tunnels and subways.....	85,967.28
Elevated structures and foundations.....	84,041.95
Bridges, trestles and culverts.....	20,054.71
Crossings, fences and signs.....	15,130.45
Signals and interlockers.....	46,254.39
Communication systems.....	26,839.72
Miscellaneous way expenses.....	245,278.03
Maintenance of electric line equipment.....	586,412.22
Maintenance of buildings, fixtures and grounds.....	658,405.08
Depreciation of way and structures.....	600,000.00
Dismantling retired way and structures.....	<u>25,947.75</u>

Total way and structures..... \$4,239,173.89

Equipment:

Superintendence.....	\$205,058.68
Maintenance of revenue equipment.....	2,089,359.01
Maintenance of service equipment.....	16,894.55
Electric equipment of cars and trackless trolleys....	568,361.50
Shop equipment.....	86,442.55
Shop expenses.....	693,713.29
Maintenance of automotive and misc. equipment.....	80,814.61
Depreciation of equipment.....	228,000.00
Dismantling retired equipment.....	<u>261.05</u>

Total equipment..... \$3,968,905.24

Power:

Superintendence.....	\$166,563.88
Maintenance of power plants.....	314,734.17
Depreciation of power plants.....	372,000.00
Other power plant operating expenses.....	1,886,913.42
Gasoline and fuel oil for buses.....	<u>446,617.66</u>

Total power..... \$3,186,829.13

OPERATING EXPENSES - Continued
YEAR ENDED DECEMBER 31, 1954

Conducting transportation:

Superintendence.....	\$2,826,918.51
Passenger car, trainmen and bus operators.....	11,476,731.65
Miscellaneous car and bus service employees.....	354,919.16
Miscellaneous car and bus service expenses.....	134,260.08
Station employees.....	2,035,856.44
Station expenses.....	517,619.16
Car house and bus garage employees.....	1,971,705.83
Car house and bus garage expenses.....	221,359.72
Operation of signal and interlocking apparatus.....	508,886.24
Operation of communication systems.....	25,001.54
Other transportation expenses.....	<u>403,004.12</u>

Total conducting transportation.....	<u>\$20,476,262.45</u>
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Traffic (promotion and advertising)	<u>\$86,575.46</u>
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General (administrative and other general
operating expenses):

Salaries and expenses of general officers.....	\$91,699.53
Salaries and expenses of general office clerks.....	1,055,867.31
General office supplies and expenses.....	233,231.08
Law expenses.....	77,027.44
Pensions, retirement fund, gratuities, health and accident and group life and hospitalization insurance	2,181,388.95
Miscellaneous general expenses	160,965.87
Injuries and damages and expenses relating thereto.	1,619,978.14
Insurance	510,711.92
Stationery and printing.....	151,333.92
Store expenses.....	372,350.08
Service garage expenses and supplies	<u>171,764.97</u>

Total general.....	<u>\$6,626,319.21</u>
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Total operating expenses.....	<u><u>\$38,584,065.38</u></u>
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METROPOLITAN TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS

Note A--Fixed Assets

The fixed assets acquired from Boston Elevated Railway Company on August 29, 1947 are carried on the books of the Authority at original cost to the Company as shown on its books as of that date. Additions subsequent to August 29, 1947, including the subways, tunnels and other facilities purchased from City of Boston August 3, 1949, are carried at cost to the Authority, the cost of subways, tunnels and facilities purchased from the City of Boston being measured by the amount of the bond issued therefor.

Note B--Reserve for Depreciation

In accordance with the provisions of Section 11 of Chapter 544 of the Acts of 1947 as amended by Section 4 of Chapter 572 of the Acts of 1949, no allowance for depreciation of passenger-carrying rolling stock of the Authority or for obsolescence and losses in respect to such rolling stock after August 2, 1949, is reflected in the accompanying financial statements of the Authority.

On the other hand, as provided by that section (Section 11 of Chapter 544), cost of the service, as reflected in the Statement of Income and the Cost of the Service, includes (1), all sums paid to the Boston Metropolitan District for the year ended December 31, 1954 in reduction or payment of the principal amount of bonds issued by the Authority under either Section 7A or Section 22, as well as (2) such allowance for depreciation of property and for obsolescence and losses in respect to property sold, destroyed or abandoned as is contemplated by said Section 11.

The aggregate of charges to cost of the service for the year ended December 31, 1954, with respect to the above-mentioned sums paid on principal of bonds and with respect to depreciation, is less than the amount of depreciation that under conventional accounting procedure and under practices of the Authority, prior to August 3, 1949, would have been charged to the cost of the service.

The Reserve for Depreciation of Property, and for Obsolescence and Losses in respect to Property Sold, Destroyed or Abandoned, includes the aggregate of all debt retirement sums paid after August 2, 1949 under the provisions mentioned above, as well as allowance for depreciation of property and for obsolescence and losses in respect to property sold, destroyed or abandoned, except with respect to passenger-carrying rolling stock after August 2, 1949. The balance (\$45,115,691.11) of this account at December 31, 1954 is less than recent surveys have indicated may be required to cover normal depreciation and obsolescence that has accrued on the properties.

Note C--Amortization of Tunnels, Subways and Other Facilities

The credits arising from the reimbursement to the Authority by the Commonwealth of Massachusetts for the principal payments made on bonds issued under paragraphs (c) and (j) of Section 8A of Chapter 544 of the Acts of 1947 as amended and Section 6 of Chapter 649 of the Acts of 1949 as amended (discussed in Note E) are considered to provide for amortization of Tunnels, Subways and Other Facilities, and consequently no provision for depreciation thereof is included in the allowance made by the Trustees in the year 1954 for depreciation of property and for obsolescence and losses in respect to property sold, destroyed or abandoned. Such credits amounted to \$3,548,629.68 at December 31, 1954.

Section 13A of Chapter 544 of the Acts of 1947 which was inserted in said Chapter 544 by Chapter 409 of the Acts of 1954 provides that if during any calendar year the Trustees, in their opinion, have not sufficient cash to make the payments required in the course of their management and operation of the transportation system and other properties under their control, the Trustees may, from time to time during such year, certify to the State Treasurer an amount, which together with all amounts previously paid in such year to the Authority under this section, shall not exceed the amount by which the income of the Authority has failed to meet the cost of the service as estimated by the Trustees for that portion of such year which has expired up to the date of such certification; and that the Commonwealth shall thereupon pay over to the Authority the amount so certified; and that such payments shall be treated as payments on account of the deficiency as of the last day of said calendar year.

In November 1954, after certification by the Trustees, an advance payment was made to the Authority in the amount of \$2,500,000.

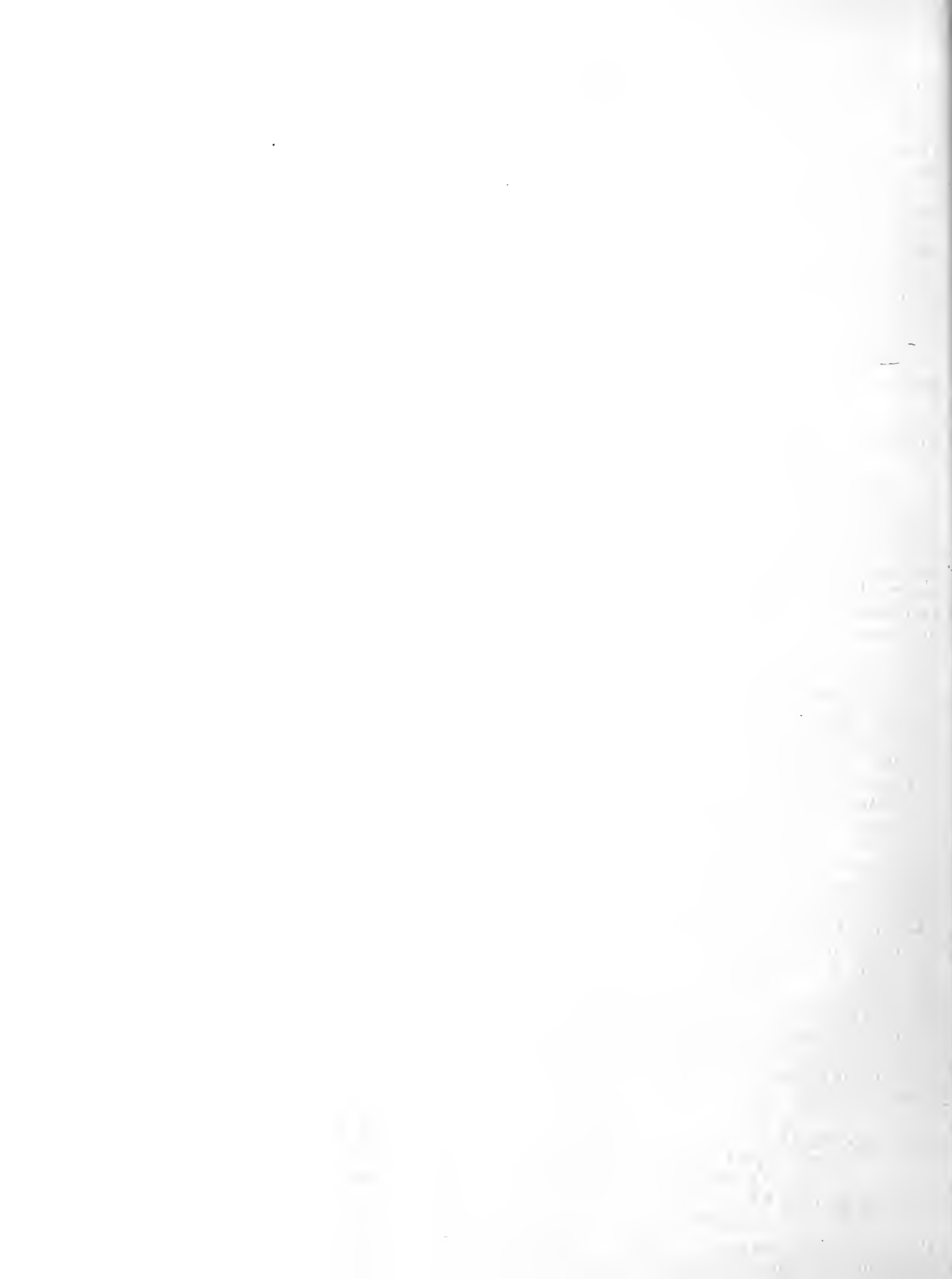
Note E--Funded Debt

Section 7 of Chapter 544 of the Acts of 1947 as amended, provided that bonds of the Authority and bonds of the Boston Elevated Railway Company assumed by the Authority should be cancelled at their respective maturity dates, or prior thereto, to the extent that bonds of the Boston Metropolitan District issued to provide funds for the purchase thereof had been retired, or their retirement provided for, through interest payments made by the Company or by the Authority in excess of the amounts required to pay the interest on the District's bonds. At August 3, 1949, \$26,513,545.11 of such bonds of the District had been retired, or their retirement provided for.

Pursuant to refinancing provisions of Section 7A of Chapter 544 of the Acts of 1947 as amended, bonds of the Authority (other than bonds issued under Section 22 and Section 8A) and bonds of the Boston Elevated Railway Company assumed by the Authority, with an aggregate principal amount of \$97,931,917. were cancelled August 3, 1949 and a new bond for \$71,418,371.89 issued to the Boston Metropolitan District. The principal amount of this new bond was equal to the difference between the principal amount of the bonds cancelled and the \$26,513,545.11 referred to in the preceding paragraph. The new bond is payable in 142 installments of \$500,000. each, on December 1 and June 1. The first installment was paid on December 1, 1949 and the final installment, \$418,371.89, is payable on December 1, 2020 (see notes to Statement of Funded Debt attached). Interest is payable on the new bond in amounts equal to the interest on bonds of the Boston Metropolitan District which may be outstanding from time to time, and the accrued interest on funded debt as shown on the balance sheet reflects the accrued unpaid liability for interest on this bond at December 31, 1954.

Payments in reduction of the principal of the new bond of the Authority issued under said Section 7A (\$1,000,000.) and in payment of bonds of the Authority issued under Section 22 of said Chapter 544 (\$838,000.) were included in the cost of the service for the year ended December 31, 1954 as provided in Section 11 of said Chapter 544.

On August 3, 1949, the Authority acquired the subways and other transit properties of the City of Boston under the provisions of Section 8A inserted in Chapter 544 of the Acts of 1947 by Chapter 572 of the Acts of 1949. Reference should be made to said Section 8A for the details of the transaction whereby the Authority on August 3, 1949 issued to the Boston Metropolitan District its bond for \$40,219,445.43 and its note (undertaking to make the payments required of the District on its note to the City) in exchange for District bonds payable to the City of Boston of a like principal



Note E--Funded Debt - (Continued)

amount and a note of the District by which the District undertook, among other things, to pay interest on the City's outstanding transit indebtedness to the extent that such interest exceeded the income of the City's sinking funds available to pay the same, which bonds and note of the District were delivered by the Authority to the City to effect the transfer to the Authority of title to the City's subway and transit properties.

In accordance with the provisions of paragraph (1) of Section 8A of Chapter 544 of the Acts of 1947 as amended and Section 7 of Chapter 649 of the Acts of 1949 as amended, the Commonwealth of Massachusetts is required to pay to the Authority on November 20 of each year after 1949 the amounts previously certified by the Trustees of the Authority as payable by the Authority during such year in reduction of the principal amount of its bonds issued under paragraphs (c) and (j) of Section 8A of said Chapter 544 and Section 6 of said Chapter 649 (for subways, tunnels and other facilities). The amount certified to the Treasurer by the Trustees of the Authority is assessed on the cities and towns constituting the Authority. On November 22, 1954, the Authority received from the Commonwealth of Massachusetts the amount of \$791,592.60 which had been certified by the Authority as payable during the year 1954.

In the Statement of Income and the Cost of the Service for the year ended December 31, 1954, the caption "Interest on Funded Debt" includes: (1) interest accrued during the year on the Authority's bonds issued under Sections 7A, 8A(j), and 22 of Chapter 544 and Section 6 of Chapter 649; (2) payments actually made during the year to the City of Boston in accordance with the Authority's note to the District issued under Section 8A(c) of said Chapter 544; except that a portion of the amounts paid during the year 1954 under Section 8A(j) of Chapter 544 and Section 6 of Chapter 649 of the Acts of 1949, as amended, has been considered as applicable to unfinished construction and charged to the fixed asset accounts.

As of December 31, 1954, the Authority had expended from current treasury funds, \$231,050.77 for the purchase of 12 new diesel buses. Reimbursement to the Authority will be made in 1955 from the proceeds of bonds to be issued under Section 22 of Chapter 544 of the Acts of 1947 as amended.

Note F--Commitments

At December 31, 1954 the Authority had outstanding firm commitments, totalling approximately \$170,000. for the purchase of spare equipment for rapid transit cars; for the addition to and extension of rapid transit facilities and for alterations to subways, tunnels and rapid transit extensions and facilities.

This amount will be payable from special deposits established from bond issues made under Section 8A and Section 22 of Chapter 544 of the Acts of 1947, as amended, and Section 6 of Chapter 649 of the Acts of 1949, as amended.

